

## **ASSIGNMENT OF BENEFITS**

The plans summarized in this handbook are used exclusively to provide benefits to you, your dependents, and, in some cases, your survivors. Generally, neither you nor the company can assign, transfer or attach your benefits, or use them as collateral for a loan, except as provided in the NYNEX Corporation Savings and Security Plan (Non-Salaried Employees) and the NYNEX Pension Plan.

You may, however, assign your life insurance benefits. (See "Assignment of Benefits" in the

## **QUALIFIED DOMESTIC RELATIONS ORDERS**

With the exception of your life insurance, your benefits generally can't be assigned to any other person. However, the company is required to obey certain court orders (such as divorce decrees) that require payment of a portion of your pension (under the NYNEX Pension Plan) and your savings under the NYNEX Corporation Savings and Security Plan (Non-Salaried Employees) directly to your spouse, former spouse, child or dependent. If such a court order is a Qualified Domestic Relations Order, the

## **YOUR RIGHTS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974**

The Employee Retirement Income Security Act of 1974, as amended (ERISA), guarantees you certain rights and protections as a participant in the various benefit plans provided by the company. Here's a summary of your rights under ERISA.

ERISA provides that all plan participants are entitled to:

- Examine, without charge, at the Benefit Office and at other specified worksites, all plan documents, including insurance contracts, collective bargaining agreements, and copies of all

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65), and, if so, what your benefits would be at normal retirement age if you stop working now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once a year. The plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans. The people who operate your plans, called "fiduciaries," have a duty to do so prudently and in the interest of you and other participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Benefit Office and don't receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Benefit Office to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials weren't sent because of reasons beyond the control of the Benefit Office.

If you have a claim for benefits that's denied or ignored, in whole or in part, you may file suit in a state or federal court.

If the plan fiduciaries misuse the plan's money, or if you're discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who will pay court costs and legal fees. If you're successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees—if, for example, it finds your claim is frivolous.

If you have any questions about the plan, you should contact the administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the Pension and Welfare Benefit Administration, U.S. Department of Labor.

TAB

EXHIBIT 1  
APPENDIX B  
ATTACHMENT 9

NYNEX MEDICAL EXPENSE PLAN FOR RETIRED EMPLOYEES

## MEDICAL EXPENSE PLAN FOR RETIRED EMPLOYEES

### A. Undertaking.

1. The Company undertakes to make available the Medical Expense Plan for Retired Employees (hereinafter called the "Plan") to Retired Employees (as such term is defined in Section B), and certain of their dependents which will pay benefits in accordance with the terms hereof.
2. The Plan benefits will be provided under contracts between the Company and one or more Administrators selected by the Company. Such contracts shall include the substance of Sections B through M, and shall be administered by the respective Administrators, which will determine benefits and other questions arising thereunder. The contracts necessarily will conform to applicable state or federal laws. If any of the provisions of the Plan must be modified because of state laws, such modification will be made by the Company.
3. The Company and each other Employer reserve the right to terminate or amend the Plan; however, the Company and each other Employer intend that the Plan terms comply with Section 89(k) of the Internal Revenue Code.

### B. General Definitions.

1. "Administrator" - The insurance company or companies or other administrator(s) selected by the Company to provide certain administrative services under the Plan.
2. "Ambulatory Surgical Facility" - An institution, either freestanding or as part of a Hospital, with permanent facilities that is equipped and operated for the primary purpose of performing surgical procedures in which a patient is admitted to and discharged from such facility

c. Eligibility.

1. In General.

Except as provided in paragraph 2 the following persons

they otherwise qualify as covered medical expenses.

- (o) Services rendered by the Retired Employee's immediate family.
- (p) Charges for services or supplies which do not meet currently accepted standards of medical practice and are not approved for general use by one of the following: The Council of Medical Specialty Societies, the U.S. Surgeon General, the U.S. Department of Public Health, the National Institute of Health, the National Center for Health Care Technology, or the Office of Technology Assessment.
- (q) Charges for any surgery, treatment, or diagnostic procedure which is considered experimental.

11. Persons Eligible for Medicare.

Benefits payable for covered expenses under this Plan will be reduced by any benefits for the same covered expenses under Medicare.

The Company will reimburse for the basic Medicare B premium for the Retired Employee and Retired Employee's spouse.

H. Cessation of Coverage (Other than COBRA Coverage).

1. Retired Employees.

A Retired Employee's coverage shall cease at midnight on

---

---

---

- (b) the day before the day on which the Retired Employee returns to the Employer as an Employee;
- (c) the day before the day on which the Retired Employee becomes covered under an HMO;
- (d) the last day of the month in which the Retired Employee fails to pay any premium which is required (pursuant to any other provision of the Plan) as a condition of coverage;
- (e) The last day of the month in which the Retired Employee requests in writing that coverage cease, provided that the Retired Employee has attained age 65 on or before such day; or
- (f) the day the Plan is discontinued.

2. Dependents.

The coverage of a person as a Dependent of a Retired Employee shall cease at midnight on the earliest of the following dates:

- (a) the day such Retired Employee's coverage under the Plan ceases for any reason other than death;
- (b) the last day of the sixth month after the month in which such Retired Employee dies (except that a surviving spouse may elect to continue coverage under the Plan for himself or herself and covered Class I and Class II Dependents, on a fully contributory basis. In addition, covered persons shall be subject to the Maximum Benefits provision described in paragraph 8 of Section E, and shall be ineligible for benefits described in paragraphs 5



8. Right to Use Data.

The Company and the Administrators reserve the right to derive data for purposes of statistical analysis from the claims files held in connection with the Plan.

O. Administrative Information.

1. The names and addresses of the Administrators and the agent for service of legal process can be found in the Plan's summary plan description, which is entitled "NYNEX Medical Expense Plan For Retired Employees."
2. The Administrator shall have all such powers as may be necessary to carry out the provisions hereof and may, from time to time, establish rules for the administration of the Plan and the transaction of the Plan's business. In making any such determination or rule, the Administrator shall have the exclusive right to make any finding of fact necessary or appropriate for any purpose

under the Plan including but not limited to the determination of eligibility for and the amount of any benefit payable under the Plan. The Administrator shall have the exclusive right to interpret the terms and provisions of the Plan and to determine any and all questions arising under the Plan or in connection with the administration of the Plan, including, without limitation, the right to remedy or resolve possible ambiguities, inconsistencies, or omissions, by general rule or particular decision.

The Administrator shall make, or cause to be made, all reports or other filings, necessary to

**NYNEX  
MEDICAL  
EXPENSE  
PLAN  
FOR RETIRED EMPLOYEES**

---

## ***A Quick Look at the NYNEX Medical Expense Plan for Retired Employees***

**The NYNEX Medical Expense Plan for Retired Employees (hereafter called "the Plan") follows the traditional; "fee for service" approach to medical care. If you prefer a prepaid approach that emphasizes preventive care, and you live in an area that's serviced by a participating Health Maintenance Organization (HMO), you may select HMO coverage in place of the Plan. (See Appendix A, "Health Maintenance Organizations," for information on HMO coverage.)**

**When you become eligible for Medicare, Medicare becomes the primary payer. This means that you submit your claims for benefit payment to Medicare first. (See "The NYNEX Medical Expense Plan for Retired Employees and Medicare," on page 18, for more information.)**

**The following chart summarizes the major benefits offered by the Plan. It doesn't detail the requirements either you or the provider of service must satisfy to receive payments from the Plan.**

**To make sure you fully understand what the Plan covers and what conditions must be satisfied, you'll want to read carefully "Who Is Eligible," on page 11, and "What the Plan Covers," on page 20.**

| <i>Plan Provision</i>                     | <i>Highlight</i>  |
|---|---|
| <i>Eligibility</i>                        | Management retirees with a pension effective date on or before July 1, 1985, and non-management retirees with a pension effective date before August 10, 1986. Eligible dependents also are covered.* |
| <i>Coverage for Spouse and Dependents</i> | Your spouse and other dependents may be covered.  |
| <i>Cost</i>                               | No premium cost for coverage for you and certain dependents.  |
| <i>Hospitalization</i>                    | 100% of charges for a semi-private room for up to 120 days of hospitalization.<br>(No deductible.)  |

---

**\*Former management employees who began receiving Long Term Disability benefits on or before July 1, 1985, who aren't receiving a service or disability pension and non-management employees who began receiving Long Term Disability benefits before August 10, 1986, who aren't receiving a service or disability pension also are covered by this Plan. However, there are some differences in coverage. (See Appendix B, "Special Provisions for Long Term Disability Benefits Recipients," for more information.)**

---

## ***Who Is Eligible***

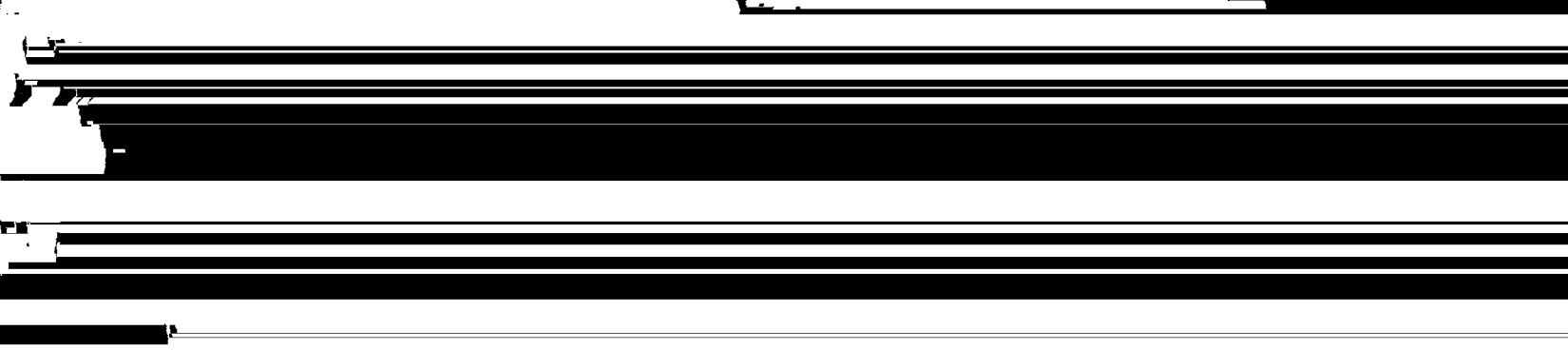
**You participate in the Plan if you're:**

- **a retired management employee of a NYNEX participating company who retired with a service or disability pension under the NYNEX Management Pension Plan, the Bell System Management Pension Plan, or the Plan for Employees' Pensions, Disability Benefits and Death Benefits with a pension effective date on or before July 1, 1985;**
- **a retired non-management employee of a NYNEX participating company who retired with a service or disability pension under the NYNEX Pension Plan, the Bell System Pension Plan, or the Plan for Employees' Pensions, Disability Benefits and Death Benefits with a pension effective date before August 10, 1986;**
- **a former management employee who began receiving Long Term Disability benefits on or before July 1, 1985;\* or,**
- **a former non-management employee who began receiving Long Term Disability benefits before August 10, 1986.\***

---

**\* If you're receiving Long Term Disability benefits and aren't receiving a service or disability pension, some of your benefits will be different. (See Appendix B, "Special Provisions for Long Term Disability Benefits Recipients," for more**

---



---

## ***Other Important Information***

**There are a few other things you should know about the NYNEX Medical Expense Plan for Retired Employees.**

### ***Your Rights Under the Employee Retirement Income Security Act of 1974***

**The Employee Retirement Income Security Act of 1974, as amended (ERISA), guarantees you certain rights and protections as a participant in the various benefit plans provided by the company. Here's a summary of your rights under ERISA.**

**ERISA provides that all Plan participants are entitled to:**

- Examine, without charge at the Benefit Office and other specified worksites, all Plan documents, including insurance contracts, collective bargaining agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan documents.**
- Obtain copies of all Plan documents and other Plan information upon written request to the Benefit Office. The Benefit Office may make a reasonable charge for such copies.**
- Receive a summary of the Plan's annual financial report. The Benefit Office is required by law to furnish each participant with a copy of each summary annual report.**

**In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans.**

**The people who operate the Plan, called "fiduciaries," have a duty to do so prudently and in the interest of you and other participants and beneficiaries. No one, including your former employer, your union, or any other person, may discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.**

**Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Benefit Office and don't receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Benefit Office to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials weren't sent because of reasons beyond the control of the Benefit Office.**

**If you have a claim for benefits that's denied or ignored, in whole or in part, you may file suit in a state or federal court.**

**If the Plan fiduciaries misuse the Plan's money, or if you're discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who will pay court costs and legal fees. If you're successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees – if, for example, it finds your claim is frivolous.**

**If you have any questions about the Plan, you should contact the administrator. If you have any questions about this statement or about your rights**

under ERISA, you should contact the nearest Area Office of the Pension and Welfare Benefit Administration, U.S. Department of Labor.

***Participating Companies and Their Employer Identification Numbers***

| <b><u>Name/Address</u></b>   | <b><u>Employer Identification Number</u></b> |
|--|--|
| <b>Empire City Subway Company<br/>(Limited)<br/>140 West Street<br/>Room 1906<br/>New York, New York 10007</b>         | <b>13-5054370</b>                            |
| <b>New England Telephone and<br/>Telegraph Company<br/>99 High Street<br/>Room 308<br/>Boston, Massachusetts 02110</b> | <b>04-1664340</b>                            |
| <b>New York Telephone Company<br/>1095 Avenue of the Americas<br/>Room 3715<br/>New York, New York 10036</b>           | <b>13-5275510</b>                            |
| <b>NYNEX Business Information<br/>Systems Company<br/>65 West Red Oak Lane<br/>White Plains, New York 10604</b>        | <b>13-3189540</b>                            |
| <b>NYNEX Corporation<br/>1113 Westchester Avenue<br/>2nd Floor<br/>White Plains, New York 10604</b>                    | <b>13-3180909</b>                            |



### ***Federal Income Tax Deductions***

**If you have significant unreimbursed medical expenses during a calendar year, those expenses may be tax deductible. Contact your tax advisor if this applies to you.**

### ***Changes in the Plan***

**The company reserves the right to amend or terminate the Plan.**

---

## ***APPENDIX C***

### ***State-Mandated Benefits***

**Some states have laws that mandate minimum health care benefits that are greater than those provided under the NYNEX Medical Expense Plan for Retired Employees for the treatment of mental illness and/or chemical dependency and for certain other services. If you live in one of these states, the Plan will automatically provide the state-mandated benefits instead of the ones regularly provided under the Plan.**

TAB

**EXHIBIT 1**  
**APPENDIX B**  
**ATTACHMENT 10**

GENERAL

PLANT

TRAFFIC

ACCOUNTING

Agreement between  
**NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY,  
TELESECTOR RESOURCES GROUP  
AND  
NYNEX CORPORATION  
AND  
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS  
(A.F.L.- C.I.O.)  
LOCALS 2222, 2313, 2320, 2321, 2322,  
2323, 2324, 2325, 2326, 2327**

The following sets forth the understandings reached by the above parties after regional and local negotiations of changes to existing collective bargaining agreements on wages, hours, terms and conditions of employment.

This Agreement will be effective September 12, 1991, unless its provisions provide otherwise; provided, however, that this Agreement will be null and void and considered not to have been in effect unless the Company receives from the Union notice of ratification on or before October 4, 1991.

IN WITNESS WHEREOF, the parties to this Agreement after approval by the System Council T-6 hereby agree to be bound by this Agreement and have caused this Agreement to be executed in their names by their duly authorized representatives this 12th day of September, 1991.

FOR THE COMPANY

Robert J. Walsh  
Chairman, Plant Negotiating Committee

Alan F. Hume  
Chairman, Finance and Accounting Negotiating Committee

FOR THE UNION

Richard R. Liguori  
Chairman, Plant Negotiating Committee  
Business Manager Local 2322

Carol L. Farnham  
Chairperson, Finance Negotiating Committee/Business Manager Local 2313

Pauline C. Jones  
Chairperson, Accounting Negotiating Committee

Myron Calver  
Business Manager Local 2222

Richard C. Bluff  
Business Manager Local 2320

Mark L. Roberts  
Business Manager Local 2321

John M. Kunkel  
Business Manager Local 2322

John M. McHenry  
Business Manager Local 2323

Richard R. Liguori  
Business Manager Local 2324

William C. McHenry  
Business Manager Local 2325

Paul E. Paulk  
Business Manager Local 2327

## **AGREEMENT**

This Agreement is entered into on this 12th day of September, 1991 by and between the New England Telephone Company, Telesector Resources Group and NYNEX Corporation (hereinafter called the Company) and Locals 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327 of the International Brotherhood of Electrical Workers, AFL-CIO collectively comprising the bargaining agent (hereinafter called the Union). Although transfers of employment between New England Telephone Company, Telesector Resources Group and NYNEX Corporation involving the transfer of employees with their work are outside the scope of this Agreement, such transfer(s) can be revoked under the grievance and arbitration provisions of this Agreement if it is found that the decision to make such transfer(s) was made arbitrarily or in bad faith.

## **WITNESSETH THAT**

WHEREAS, the parties have negotiated with respect to terms and conditions of employment and, as a result, mutually satisfactory and acceptable understandings have been reached, which, in the interest of maintaining satisfactory and harmonious industrial relations, the parties desire to set forth in writing. NOW THEREFORE, be it known that in consideration of the covenants, terms and conditions herein contained, the Union and the Company agree as follows:

## **DURATION OF AGREEMENT**

This Agreement shall (except as otherwise expressly provided herein) become effective on September 12, 1991.

This Agreement shall continue in full force and effect until 11:59 P.M. on August 5, 1995 at which time it shall terminate. However, this Agreement may be extended from time to time beyond its expiration date by mutual agreement in writing of the representatives of the Company and the Union.

## **ARTICLE G3**

### **Amendments**

**G3.01** The understanding between the Union and the Company has been set forth in this Agreement and the Exhibits attached hereto.

**G3.02** Any amendment to this Agreement or any interpretation of the true intent and meaning of the provisions of this Agreement officially and mutually agreed to by the two parties concerned shall be committed to writing and signed by the Union and the Chairman of the Company's bargaining committee.

## **ARTICLE G4**

### **Union Security**

**G4.01** Each employee who is a member of the Union or who is obligated to tender to the Union amounts equal to periodic dues on the effective date of this Agreement, or who later becomes a member, and all employees entering into the bargaining unit on or after the effective date of this Agreement, shall as a condition of employment pay or tender to the Union amounts equal to the periodic dues applicable to members for the period from such effective date or, in the case of employees entering into the bargaining unit after the effective date, on or after the thirtieth day after such entrance, whichever of these dates is later, until the termination of this contract.

**G4.02** For purpose of this Article, "employee" shall mean any person entering into the bargaining unit, except an occasional employee.

**G4.03** The condition of employment specified above shall not apply during periods of formal separation\* from the bargaining unit by any such employee but shall reapply to such employee on the thirtieth day following the employee's return to the bargaining unit.

*\*The term "formal separation" includes transfers out of the bargaining unit, removal from the payroll of the Company, and leaves of absence of more than one month duration.*

## **ARTICLE G10**

### **No Strike**

**G10.01** The Union agrees that during the term of this Agreement, or any extension thereof, it will not cause or permit its members to cause, nor will any member of the Union take part in, any strike of or other interference with any of the Company's operations or picketing of any of the Company's premises; provided, however, that nothing in this Article shall in any way enlarge, diminish or affect whatever the rights and obligations of the parties are now or may be from time to time with respect to any refusals to cross lawful picket lines established by other Unions at locations other than the Company's premises.

## **ARTICLE G11**

### **Management Rights**

**G11.01** Subject only to the limitations contained in this Agreement the Company retains the exclusive right to manage its business including (but not limited to) the right to determine the methods and means by which its operations are to be carried on, to assign and direct the work force and to conduct its operations in a safe and effective manner.

## **ARTICLE G12**

### **Benefits**

#### **EMPLOYEES' PENSIONS, DISABILITY BENEFITS AND DEATH BENEFITS**

**G12.01** The NYNEX Pension Plan, as amended, and the Sickness and Accident Disability Plan, as amended, together with all procedures authorized in connection therewith shall be considered part of this Agreement.

**G12.02** In the event the Company proposes to exercise the right provided in the "Changes in the Plan" sections of the Plans, by action affecting the benefits or privileges of employees represented by the Union, it will before doing so, notify the Union of its proposal and afford the Union a period of sixty (60) calendar days for bargaining on said proposal; provided, however, that no



change may be made in the Plans which reduce or diminish the benefits or privileges provided thereunder as they apply to employees represented by the Union without its consent.

**G12.03** Any question arising in connection with the Plans, except a claimed violation of paragraph G12.02 of this Article, is specifically excluded from the arbitration procedures outlined in Article G9 of the Agreement.

#### **GROUP LIFE INSURANCE PROGRAMS**

**G12.04** (a) The NYNEX Non-Management Group Life Insurance Program, as amended, is hereby incorporated by reference as part of this Agreement.

(b) The NYNEX Non-Management Supplementary Group Life Insurance Program, as amended, is hereby incorporated by reference as part of this Agreement.

**G12.05** Any question arising in connection with the NYNEX Non-Management Group Life Insurance Program or the NYNEX Non-Management Supplementary Group Life Insurance Program, other than the Company's determination of eligibility for in-